



ELBOW VALLEY WEST – LOT TRANSFER POLICY Effective August 1st, 2008

This policy dictates lot transfers that may be allowed for Purchasers, and their successors and heirs, who have entered into Purchase and Sale Agreements (“PSA”) with Elbow Valley West (as Vendors) respecting a subdivided Unit (“Lot”) within the Elbow Valley West community project (Condominium Plan 0714894).

Any transfer of land is a re-sale under the provisions of the standard PSA between the Purchaser and Elbow Valley West Ltd. (“EVW”), and is subject to the Sections 34 and 42 of the PSA, which state the following:

“RE-SALE OF LOT

34. The Purchaser will not, for a period of three (3) years from the Final Payment Date, sell or otherwise dispose of the Lot or any interest therein (unless the Purchaser has completed the construction of a home on the Lot in accordance with this agreement) without first offering in writing to sell the Lot to the Developer. The offer shall be open for acceptance for thirty (30) business days from its receipt by the Developer (the “Final Acceptance Date”) and the terms of purchase shall be in accordance with clause 28 of this agreement excepting sub-clause c. which shall be amended by substituting 90% for 80% therein...”

“42. Until the Purchaser has fulfilled all of its obligations under this agreement, the Purchaser shall not be entitled to assign its interest or any part thereof in this agreement or the Lot without the prior written approval of the Developer, which approval maybe arbitrarily withheld. If such approval is granted by the Developer, then such approval maybe subject to the Purchaser paying the Developer’s legal costs in attending to the preparation, execution and delivery of an assumption agreement in a form satisfactory to the Developer and in the preparation and registration of any additional caveat that the Developer may require.”

EVW has established a policy wherein it is prepared to waive its right of first refusal, subject to the parties entering into an assumption agreement (prepared by EVW’s solicitor, Ms. Kathy Milani) if the following situations apply:

1. A transfer from an individual to a spouse, direct descendant, or parent (verification of relationship is required to the satisfaction of EVW, its advisors and solicitor),
2. A transfer from a corporation to an individual or individuals wherein the individual or individuals collectively own over 50% of the common voting shares in the corporation. Ownership must be verified to the satisfaction of EVW, its advisors and solicitor acting in the sole interest of EVW,
3. A transfer from an individual or individuals to a corporation wherein the individual or individuals collectively own over 50% of the common voting shares in the corporation. Ownership must be verified to the satisfaction of EVW, its advisors

and solicitor, and the individuals must commit to maintain over 50% ownership of the corporation to the satisfaction of EVW, its advisors and solicitor, and

4. A transfer from an individual, individuals, or corporation acting as builder for an individual, individuals, or corporation wherein it is verified to the satisfaction of EVW, its advisors and solicitor that the Purchaser in the PSA has contracted and is obligated to construct and complete a home for the individual, individuals, or corporation acting as the proposed transferee of the Lot. A transfer in this form will only be considered following release of the grade slip.

For greater clarity, as a condition to any Lot transfers, including circumstances not described above, all parties (the Purchaser in the PSA, the new transferee, and EVW) must enter into an assumption agreement prepared by Ms. Kathy Milani of Borden Ladner Gervais. The Purchaser must pay the legal fees in advance of preparation of the assumption agreement.

Please note that this policy is subject to change on 45 days notice posted on the website, www.elbowvalleywest.com.

On behalf of Elbow Valley West Ltd.

Jim Dewald
August 15, 2008